



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant (practising)

(HONG KONG, 20 May 2020) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Lo Hung Yan, certified public accountant (practising) (A04520) on 8 April 2020 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. The Committee further ordered the cancellation of his practising certificate, with no issuance of a practising certificate to him for 24 months, with effect from 20 May 2020. In addition, Lo was ordered to pay a penalty of HK\$70,000 and costs of disciplinary proceedings of HK\$67,776.

The Institute concluded a practice review on Antonio & Clayton CPA Limited ("Practice"). Lo was the former managing director of the Practice and responsible for its quality control system. The practice review found that **Lo colluded with a client to backdate an auditor's report in order to mislead the Inland Revenue Department into believing that a valid auditor's report existed on the audit report date, even though the audit had not been completed.**

The practice review also revealed **multiple deficiencies in the assurance and audit engagements carried out on an insurance broker and two other private companies.** Those deficiencies demonstrated that Lo failed to ensure the Practice had established and maintained a quality control system. They also cast serious doubts on Lo's ability to maintain the level of professional competence and due care expected of him to ensure his clients received competent professional service.

After considering the information available, the Institute lodged a complaint against Lo under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

Lo admitted the complaints against him. The Disciplinary Committee found that Lo was in breach of:

- i) the fundamental principles of integrity, and professional competence and due care in sections 100.5(a), 100.5(c), 110.2 and 130.1 of the *Code of Ethics for Professional Accountants*;
- ii) Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Related Conforming Amendments*;
- iii) Hong Kong Standard on Auditing ("HKSA") 500 *Audit Evidence*, HKSA 600 *Special Consideration - Audits of Group Financial Statements (Including the Work of Component Auditors)* and HKSA 700 *Forming an Opinion and Reporting on Financial Statements*; and

- iv) Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against Lo under section 35(1) of the Ordinance.

About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants ("HKICPA") enforces the highest professional and ethical standards in the accounting profession. Governed by the Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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About HKICPA

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has more than 45,000 members and 19,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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香港會計師公會對一名執業會計師作出紀律處分

(香港，二零二零年五月二十日) 香港會計師公會轄下紀律委員會，於二零二零年四月八日就執業會計師勞雄欣先生(會員編號：A04520)沒有或忽略遵守、維持或以其他方式應用公會頒佈的專業準則，對他予以譴責。紀律委員會命令由二零二零年五月二十日起吊銷勞先生的執業證書，並在 24 個月內不向勞先生另發執業證書。此外，紀律委員會命令勞先生須繳付罰款 70,000 港元及紀律程序費用 67,776 港元。

公會曾對 Antonio & Clayton CPA Limited (「執業法團」) 進行執業審核。勞先生是執業法團的前任常務董事並負責品質監控系統。執業審核發現勞先生與一客戶串通倒填審計報告的日期，以誤導稅務局有關審計報告於該日期發出，惟相關審計於該日實際上尚未完成。

此外，執業審核發現執業法團就一間保險經紀公司及兩間私人公司所進行的鑒證及審核項目中有多項缺失。該等缺失顯示勞先生沒有確保執業法團建立及維持品質監控系統，並且令人嚴重懷疑他能否維持應有的專業水平及審慎態度以確保其客戶獲得可靠的專業服務。

公會經考慮所得資料後，根據《專業會計師條例》第 34(1)(a)(vi)條對勞先生作出投訴。

勞先生承認投訴中的指控屬實。紀律委員會裁定勞先生違反了：

- i) Code of Ethics for Professional Accountants 中第 100.5 (a)、100.5(c)、110.2 及 130.1 條有關「Integrity」及「Professional Competence and Due Care」的基本原則；
- ii) Hong Kong Standard on Assurance Engagements 3000 (Revised) 「Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Related Conforming Amendments」；
- iii) Hong Kong Standard on Auditing (「HKSA」) 500 「Audit Evidence」、HKSA 600 「Special Consideration - Audits of Group Financial Statements (Including the Work of Component Auditors)」及 HKSA 700 「Forming an Opinion and Reporting on Financial Statements」；及
- iv) Hong Kong Standard on Quality Control 1 「Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements」。

經考慮有關情況後，紀律委員會根據《專業會計師條例》第 35(1)條向勞先生作出上述命令。

香港會計師公會的紀律處分程序

香港會計師公會致力維持會計界的最高專業和道德標準。公會根據香港法例第 50 章《專業會計師條例》及紀律委員會訴訟程序規則，成立獨立的紀律委員會，處理理事會轉介的投訴個案。委員會一旦證明對公會會員、執業會計師事務所會員或註冊學生的檢控屬實，將會作出適當懲處。若答辯人未有提出上訴，紀律委員會的裁判將會向外公佈。

詳情請參閱：

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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關於香港會計師公會

香港會計師公會是根據《專業會計師條例》成立的法定機構，負責培訓、發展和監管香港的會計專業。公會會員超過 45,000 名，學生人數逾 19,000。

公會開辦專業資格課程，確保會計師的入職質素，同時頒佈財務報告、審計及專業操守的準則，以鞏固香港作為國際金融中心的領導地位。

CPA 會計師是一個獲國際認可的頂尖專業資格。公會是全球會計聯盟及國際會計師聯合會的成員之一，積極推動國際專業發展。

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3. Background

- 3.1 Under Part IVA of the PAO, the Institute is empowered to carry out practice review on practice units.
- 3.2 The PRC is a statutory committee set up under section 32A of the PAO responsible for exercising the statutory powers and duties in relation to practice review under the PAO.
- 3.3 The practice reviewers, being staff members of the Quality Assurance Department of the Institute (“QAD”), assist and report to the PRC in carrying out those statutory powers and duties.
- 3.4 The QAD concluded a practice review on Antonio & Clayton CPA Limited (Corporate Practice no.: S0490) (the “Practice”) in November 2017, and issued a Reviewer's Report dated 23rd November 2018 (the “Reviewer's Report”).
- 3.5 The Respondent was the former managing director of the Practice until 17th July 2018. At the time of the practice review, the Practice had 2 other practising directors and 6 non-qualified audit staff. In the 18-month period from March 2016 to September 2017, the Practice issued auditor's reports to approximately 340 audit clients, all of which were signed by the Respondent. Apart from 2 insurance brokers, the Practice had no other regulated or listed clients.
- 3.6 The practice review revealed issues concerning the Respondent's integrity. Further, the Reviewer's Report identified significant deficiencies in relation to the Practice's quality control system, which the Respondent was responsible for, as well as the following audit engagements: -
- (a) Client C, an insurance broker, for the year ended 31st March 2017; which the Practice performed: -
- (i) a limited assurance engagement in accordance with HKSAE 3000 (Revised)¹ on Client C's compliance with the minimum requirements specified by the Insurance Authority (“IA”), and issued an adverse conclusion on 6th September 2017 (“Assurance Report”); and

¹ Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Related Conforming Amendments*

(ii) an audit engagement in accordance with HKSA² on Client C's financial statements prepared in accordance with HKFRS³, and issued an unmodified opinion on 6th September 2017 (“Client C FS”);

(b) Client F, a private entity, which the Practice performed the audit in accordance with HKSA² with reference to PN 900 (Revised)⁴, and issued an unmodified opinion on 24th October 2016 on its financial statements prepared in accordance with SME-FRS⁵ for the year ended 31st December 2015 (“Client F FS”); and

(c) Client E, a private entity, which the Practice performed the audit in accordance with HKSA² with reference to PN 900 (Revised), and issued an unmodified opinion on 15th November 2016 on the consolidated financial statements prepared in accordance with SME-FRS for the year ended 31st March 2016 (“Client E FS”).

3.7 In view of the magnitude and significance of the issues identified, the Practice Review Committee decided to raise a complaint against the Respondent under section 32D(5) of the PAO.

3.8 A total of 6 complaints are raised against the Respondent.

4. **Relevant professional standards**

A. *The Code of Ethics for Professional Accountants (the “Code”)*

4.1 Sections 100.5(a) and 110.2 of the Code which stipulate for the fundamental principle of integrity;

4.2 Sections 100.5(c) and 130.1 of the Code which stipulate for the ability to maintain the level of professional competence and due care to ensure clients receive competent professional service;

² Hong Kong Standards on Auditing

³ Hong Kong Financial Reporting Standards

⁴ Practice Note 900 (Revised) *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard*

⁵ Small and Medium-sized Entity Financial Reporting Standard

B. The Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” (“HKSQC 1”)

- 4.3 Paragraph 32 of HKSQC 1 which requires the Practice to establish policies and procedures designed to provide it with reasonable assurance that engagements are performed in accordance with professional standards, and the reports issued are appropriate in the circumstances;
- 4.4 Paragraph 11 of HKSQC 1 to ensure the Practice has established and maintained a system of quality control to provide it with reasonable assurance that professional standards have been complied with, and the reports issued are appropriate in the circumstances;

C. The Hong Kong Standard on Auditing (“HKSA”)

- 4.5 Paragraph 41 of the HKSA 700 which prohibits the auditor's report to be dated before the auditor has obtained sufficient appropriate audit evidence to support the audit opinion;
- 4.6 Paragraph 6 of HKSA 500 which requires the auditor to obtain sufficient appropriate audit evidence to support the relevant account balances;
- 4.7 Paragraphs 15 to 17 and A22 of HKSA 600 which stipulate for the establishment of an overall group audit strategy and a group audit plan in accordance with HKSA 300, as well as the identification and assessment of the risks of material misstatement through an understanding of the entity (the group and its components) and its environment in relation to the group-wide controls and the consolidation process;
- 4.8 Paragraph 21(a) of HKSA 600 which stipulates for the determination of a group materiality level for the audit of the consolidated financial statements;
- 4.9 Paragraph 11 of HKSA 700 which requires reasonable assurance about whether clients are free from material misstatements in support of the auditor’s unmodified audit opinion;
- 4.10 HKSA 315 (Revised) which stipulates for the working papers to record the key controls of the client's business, their design and implementation evaluations, and support that preliminary analytical procedures have been performed;

- 4.11 HKSA 240 which requires the working papers to demonstrate that a fraud risk assessment has been properly performed for each respective client;
- 4.12 HKSA 320 and HKSA 450 which require the working papers to adequately show the justification for the benchmark used for the determination of audit materiality, the computation and application of performance materiality and a clearly trivial amount;
- 4.13 HKSA 520 which stipulates for the performance of final analytical procedures;
- 4.14 HKSA 230 which requires working papers to be dated to evidence the date of file review; and

D. The Hong Kong Standard on Assurance Engagements 3000 (Revised) (“HKSAE 3000 (Revised)”)

- 4.15 Paragraphs 48L and 64 of the HKSAE 3000 (Revised) which require the auditor to obtain sufficient appropriate audit evidence to support his conclusion in the Assurance Report.

5. The Complaints

Complaint 1

- 5.1 Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard for his failure to comply with the fundamental principle of integrity, when he deliberately backdated his auditor’s report on Client E’s financial statements for the year ended 31st March 2016.

Complaint 2

- 5.2 Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard in relation to the assurance engagement in respect of Client C for the year ended 31st March 2017.

Complaint 3

- 5.3 Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard in relation to the audit of Client F's financial statements for the year ended 31st

December 2015.

Complaint 4

5.4 Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply professional standards in relation to the audit of Client E's financial statements for the year ended 31st March 2016.

Complaint 5

5.5 Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard for his failure to maintain an adequate quality control system in the Practice.

Complaint 6

5.6 Section 34(1)(a)(vi) of the PAO applies to the Respondent in that he failed or neglected to observe, maintain or otherwise apply a professional standard for his failure to maintain professional knowledge and skill at a level required, and act diligently and in accordance with applicable professional standards, to ensure his clients received competent professional services.

6. Facts and circumstances surrounding the Complaint

Complaint 1

6.1 The practice review revealed that almost all working papers concerning the 2016 audit of Client E were dated after the date of the auditor's report. In response, the Respondent admitted that the auditor's report was dated on 15th November 2016 per the client's request in order to meet Client E's tax filing deadline, even though a substantial part of the audit had not been completed.⁶

6.2 The Respondent submitted to the Institute that he merely committed a "technical" breach since the auditor's report was not issued until March 2017 after adequate audit work had been completed.

⁶ Paragraph 3.1.2(a) of the Reviewer's Report

- 6.3 Audit documentation in respect of Client E indicated that the relevant audit work was performed after the report date of 15th November 2016.⁷ The Respondent therefore breached paragraph 41 of HKSA 700 which prohibits the auditor's report to be dated before the auditor has obtained sufficient appropriate audit evidence to support the audit opinion.
- 6.4 Further, on the Respondent's own admission, he backdated the auditor's report in response to Client E's request to be consistent with the company's Profits Tax Return dated 16th November 2016, which shows that an auditor's report dated 15th November 2016 existed. He said that if not for the client's request, the auditor's report should have been dated 6th March 2017.
- 6.5 His submission shows that his backdating of the auditor's report was a deliberate act of collusion with Client E to mislead the Inland Revenue Department that a valid auditor's report existed on 15th November 2016; when that was not the case.
- 6.6 Based on the above, the Respondent failed to comply with the fundamental principle of integrity as stipulated in sections 100.5(a) and 110.2 of the Code for failing to be straightforward and honest in his professional relationships.
- 6.7 As the Code is a professional standard referred to in the PAO, section 34(1)(a)(vi) of the PAO also applies to the Respondent in this respect.

Complaint 2

- 6.8 The "Electronic Practice Review Self-Assessment Questionnaire" ("EQS") submitted by the Practice in 2016 contained false information because it stated that the Practice did not have any insurance broker clients. However, Client C is an insurance broker and had been its client since August 2014.⁸

⁷ The audit programs and working papers of the holding company, EMT (Holdings) Co. Limited, were all dated 18th November 2016; and the bank confirmation was dated 21st November 2016

⁸ Paragraph 3.1.4(a) of the Reviewer's Report; and item #11(g) of the EQS

- 6.9 For Client C, the Respondent provided negative assurance in the Assurance Report that it had complied with the Minimum Requirements concerning professional indemnity insurance specified by the IA.⁹
- 6.10 The IA requires the Company to obtain a certain insurance coverage based on its revenue amount. A copy of the relevant insurance policies was filed in the working papers. However, there was nothing in the working papers to indicate that the Respondent had performed any calculation or assessment to support his conclusion that the relevant Minimum Requirement had been met.
- 6.11 The Respondent did not dispute the fact that no calculation or assessment had been carried out. In this regard, available audit documentation failed to demonstrate that he had complied with paragraphs 48L and 64 of HKSAE 3000 (Revised) to obtain sufficient appropriate audit evidence to support his conclusion in the Assurance Report.
- 6.12 As HKSAE 3000 (Revised) is a professional standard referred to in the PAO, section 34(1)(a)(vi) of the PAO applies to the Respondent.

Complaint 3

- 6.13 The practice reviewer found that inadequate audit procedures were performed for various accounts reported in Client F FS at year-end including the followings¹⁰: -
- (a) Trade receivables (應收帳款) of US\$12.8 million;
 - (b) Prepayments (預付帳款) of US\$43.8 million;
 - (c) Other receivables (其他應收款) of US\$90.6 million; and
 - (d) Other payables (其他應付款) of US\$9.4 million.

⁹ #b under "Basis for Adverse Conclusion" in the Assurance Report

¹⁰ See Client F's Statement of Financial Position (財務狀況表)

- 6.14 In relation to the trade receivables and prepayments (each of which exceeded audit materiality of US\$10.3 million), there were no procedures performed on their recoverability.
- 6.15 As for the “Other receivables” balance which was well over audit materiality, there was no work performed at all according to the working papers.
- 6.16 In respect of the “Other payables”, the balance of US\$9.4 million comprised payables to only 2 creditors, of which one was owed 99% of the balance. There was no work done on this significant balance.
- 6.17 The Respondent did not dispute the above facts and that the work performed was inadequate.
- 6.18 As such, the Respondent failed to obtain sufficient appropriate audit evidence to support the relevant account balances in Client F FS, in accordance with paragraph 6 of HKSA 500.
- 6.19 As HKSAs are professional standards referred to in the PAO, section 34(1)(a)(vi) of the PAO applies to the Respondent.

Complaint 4

- 6.20 The working papers show that the audit team did not perform adequate audit planning for Client E at the consolidated group level as the working papers only showed that some planning was done at the entity level.
- 6.21 As such, the Respondent failed to comply with paragraphs 15 to 17 and A22 of HKSA 600 for his failure to: -
- (a) establish an overall group audit strategy and develop a group audit plan in accordance with HKSA 300; and
 - (b) identify and assess the risks of material misstatement through an understanding of the entity (the group and its components) and its environment in relation to the group-wide controls and the consolidation

process.

- 6.22 There was also no evidence that the Respondent had determined a group materiality level for the audit of the consolidated financial statements in accordance with paragraph 21(a) of HKSA 600.
- 6.23 The Respondent did not dispute the above findings.
- 6.24 Further, the Respondent also failed to obtain sufficient appropriate audit evidence in relation to revenue from construction and decoration works of HK\$14.5 million recorded in Client E FS¹¹, as further explained in paragraphs 6.25 and 6.26 below.
- 6.25 Revenue recognition policy relating to construction and decoration works was not disclosed in note 2(a) to Client E FS nor stated in the audit working papers. As such, there was no evidence to demonstrate that the Respondent had performed any procedures to obtain reasonable assurance that this material revenue amount was properly recognized in Client E FS.
- 6.26 There was also no evidence of any work performed on the followings: -
- (a) adjustments made on 1st April 2015 (first day of the fiscal year) and at year-end in the net amount of approximately HK\$2.1 million (which exceeded audit materiality) to reduce the revenue; and
 - (b) reasonableness of Client E's gross margin which increased from 11% in 2015 to 22% in 2016.
- 6.27 In respect of purchases totalling HK\$1.5 million, there was nothing in the working papers to suggest that any audit procedures had been performed on this material item which was included in "Direct costs of services" in Client E FS.

¹¹ The revenue was generated by a major subsidiary of Client E, which audit materiality was determined at HK\$293,000

- 6.28 The Respondent did not dispute that inadequate work was carried out to ascertain the accuracy of the revenue and costs of services as recorded in Client E FS.
- 6.29 Based on the above, the Respondent breached paragraph 6 of HKSA 500 for failing to obtain sufficient appropriate evidence to support these 2 material accounts.
- 6.30 As such, the Respondent also failed to comply with paragraph 11 of HKSA 700 for failure to have obtained reasonable assurance about whether Client E FS was free from material misstatements in support of his unmodified audit opinion.
- 6.31 As HKSAs are professional standards referred to in the PAO, section 34(1)(a)(vi) of the PAO applies to the Respondent.

Complaint 5

- 6.32 Paragraph 32 of HKSQC 1 requires the Practice to establish policies and procedures designed to provide it with reasonable assurance that engagements are performed in accordance with professional standards, and the reports issued are appropriate in the circumstances.
- 6.33 The significant findings as noted in Complaints 2 to 4 above pointed to the Practice's failure to comply with relevant professional standards in relation to 3 engagements.
- 6.34 Further, the Reviewer's Report also identified significant deficiencies in the Practice's audit methodology when the audit working papers of Clients C, F and E failed to support that the Practice had complied with the relevant requirements of: -
- (a) HKSA 315 (Revised) in that the working papers did not record the key controls of the client's business, their design and implementation evaluations; nor support that preliminary analytical procedures had been

performed;¹²

- (b) HKSA 240 in that the working papers did not demonstrate that a fraud risk assessment had been properly performed when for each respective client, the working papers “Audit Highlights” and “Audit Planning Memorandum” essentially just showed a conclusion that fraud risk was low; and yet, there was no evidence of any procedures performed to support such a conclusion;¹³
- (c) HKSA 320 and HKSA 450 in that the working papers did not adequately show the justification for the benchmark used for the determination of audit materiality, the computation and application of performance materiality and a clearly trivial amount;¹⁴
- (d) HKSA 520 in that there was no evidence that final analytical procedures had been performed;¹⁵ and
- (e) HKSA 230 in that certain working papers were not dated to evidence the date of file review.¹⁶

6.35 The Respondent did not dispute the above findings.

6.36 The above not only demonstrated that the Respondent, being responsible for the Practice's quality control system, had failed to comply with paragraph 32 of HKSQC 1; and also paragraph 11 of HKSQC 1 for his failure to ensure the Practice had established and maintained a system of quality control to provide it with reasonable assurance that professional standards had been complied with, and the reports issued were appropriate in the circumstances.

6.37 As HKSQC 1 is a professional standard referred to in the PAO, section 34(1)(a)(vi) of the PAO applies to the Respondent.

¹² Paragraph 3.1.1(a)(vi) of the Reviewer's Report

¹³ Paragraph 3.1.1(a)(ii) of the Reviewer's Report

¹⁴ Paragraphs 3.1.1(a)(iii) and (iv) of the Reviewer's Report

¹⁵ See footnote 12

¹⁶ Paragraph 3.1.1(b) of the Reviewer's Report

Complaint 6

- 6.38 The multiple breaches as identified in Complaints 2 to 4 above demonstrated the Respondent's failure to comply with applicable professional standards when conducting professional engagements for Clients C, F and E, which the Respondent signed off the respective auditor's reports.
- 6.39 The breach of HKSQC 1 as stated in Complaint 5 above also highlighted the Respondent's failure to have a proper quality control system in place to uphold an appropriate standard with regards to the Practice's engagement performance.
- 6.40 The significance and broad spectrum of breaches as identified in Complaints 2 to 5 above cast serious doubts on the Respondent's ability to maintain the level of professional competence and due care expected of him to ensure his clients received competent professional service. As such, the Respondent also breached sections 100.5(c) and 130.1 of the Code.
- 6.41 As the Code is a professional standard referred to in the PAO, section 34(1)(a)(vi) of the PAO also applies to the Respondent in this respect.

7. The Order

7.1 Having considered: -

- (i) the seriousness of the offences committed by the Respondent;
- (ii) the submissions on sanctions and costs by the Complainant and the Respondent;
- (iii) past similar cases which show similar features to the present case;
- (iv) the mitigating factors as listed under Section 7 of the Guideline to Disciplinary Committee for Determining Disciplinary Orders; and
- (v) the facts and circumstances as a whole;

the Disciplinary Committee ordered that:-

- (a) the Respondent be reprimanded under section 35(1)(b) of the PAO;

- (b) the Respondent do pay a penalty of HK\$70,000.00 under section 35(1)(c) of the PAO;
- (c) the current practising certificate issued to the Respondent be cancelled effective from 42 days from the date hereof under section 35(1)(da) of the PAO;
- (d) a practising certificate shall not be issued to the Respondent for 24 months effective from 42 days from the date hereof under section 35(1)(db) of the PAO; and
- (e) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$67,776.00 under section 35(1)(iii) of the PAO.

7.2 This decision was made by the Disciplinary Committee's members. All 5 members of the Disciplinary Committee agreed with the decision.

Dated the 8th day of April 2020



Mr. LEUNG, Ka Yau
Chairman

Mr. CHAN, Chak Ming

Mr. CHAN, Conrad

Mr. POGSON, Timothy Keith

Mr. GUEN, Kin Shing